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## Naming Names in Arms Trade Fraternity

International arms dealers belong to a small, secretive fraternity. Insiders in this multibillion-dollar industry know who is selling what to whom—who is involved, for example, in the Iran-contras weapons scandal. But they are reluctant to talk because it would knock them out of the clandestine trade.

On rare occasions, this conspiracy of silence is broken by a squabble over some lucrative arms contract. That is what happened when Sherwood International Export Corp. was sued by a former salesman for a \$300,000 commission he claimed was owed him on a Central American arms deal.

The case was quietly settled and the court records sealed. But our associates Corky Johnson and Donald Goldberg have obtained the suppressed documents, which shine a light into the murky arms traffic.

Sherwood has grown from a small California company into a worldwide arms network with offices in Los Angeles, Washington, London and Miami. Trade publications and its own catalog show that Sherwood can supply everything from automatic rifles to heat-seeking missile launchers and armored combat vehicles.

Under its president, Michael Kokin, Sherwood has become the Central Intelligence Agency's trusty right arm in the movement of guns and materiel to the hot spots of the world. Purchase documents between Sherwood and the CIA's front company, Associated Traders, reveal that Sherwood has handled millions of dollars in transactions as the middleman for CIA arms trafficking. Kokin declined to comment. When we

asked him two years ago about CIA ties, he said, "I have never met a real CIA man."

With secrecy so important, and so much money at stake, it is surprising that Sherwood risked blowing its cover in a lawsuit with its disgruntled sales agent, Carlos Davila. But it did just that, and the cat slipped out of the bag before the case was settled.

The case began when Honduras sought to buy 150 Minimis rapid-fire machine guns from Belgium's respected Fabrique Nationale Herstal. When Sherwood tried to broker the deal, a telex from the Belgian government company said no thanks. "Handling this business directly," the telex said.

Later wires show that Sherwood did manage to intervene in the sale. Davila claimed he was responsible for the Belgians' change of heart; he had been a manager at Fabrique Nationale Herstal before going to work for Sherwood. Davila said his contract called for "procuring armaments from [the Belgian company] for resale through various offshore subsidiaries [of Sherwood] to certain specialized security agencies in the U.S. and one or more foreign governments." Because of a gag order imposed on the case, Davila would not say whether "security agencies" referred to the CIA.

The price the Hondurans were to pay for their Belgian machine guns was \$3.2 million. For his work, which allegedly included getting a substantial discount from the Belgians, Davila claimed he was owed a commission of \$300,000, which Sherwood refused to pay.

Thus in a private quarrel over a relatively piddling commission, Sherwood exposed its friends in the CIA and the international arms fraternity.